

By: Representatives Chism, Haney

To: Insurance

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 323

1 AN ACT TO AMEND SECTION 83-75-1, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE AN INSURANCE PREMIUM DISCOUNT OR REDUCTION FOR HOMEOWNERS
3 WHO BUILD A NEW HOME WITHIN THE STATE THAT BETTER RESISTS TORNADO
4 OR OTHER CATASTROPHIC WINDSTORM EVENTS; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 **SECTION 1.** Section 83-75-1, Mississippi Code of 1972, is
7 amended as follows:

8 83-75-1. (1) Not later than July 1, 2013, insurance
9 companies shall provide a premium discount or insurance rate
10 reduction in an amount and manner as established in subsection
11 (* * *5) of this section and according to Section 83-75-5. In
12 addition, insurance companies may also offer additional
13 adjustments in deductible, other credit rate differentials, or a
14 combination thereof, collectively referred to as adjustments.
15 These adjustments shall be available under the terms specified in
16 this section to any owner who builds or locates a new insurable
17 property in Harrison, Hancock, Jackson, Stone and Pearl River
18 Counties, to resist loss due to hurricane or other catastrophic
19 windstorm events.



20 (2) Not later than January 1, 2019, insurance companies
21 shall provide a premium discount or insurance rate reduction in an
22 amount and manner as established in subsection (5) of this section
23 and according to Section 83-75-5. In addition, insurance
24 companies may also offer additional adjustments in deductible,
25 other credit rate differentials, or a combination thereof,
26 collectively referred to as adjustments. These adjustments shall
27 be available under the terms specified in this section to any
28 owner who builds or locates a new insurable property to resist
29 loss due to tornado or other catastrophic windstorm events in any
30 county located in the State of Mississippi.

31 (* * *3) To obtain the adjustment provided in this section,
32 an insurable property located in this state shall be certified as
33 constructed (a) in accordance with the 2006 or newer version of
34 the International Residential Code, as amended, including the
35 entire coastal construction supplement as recommended by the
36 Mississippi Windstorm Mitigation Coordination Council; or (b) the
37 Fortified for Safer Living or similar programs adopted by the
38 Institute for Business and Home Safety; or (c) any other
39 mitigation program recommended by the Mississippi Windstorm
40 Mitigation Coordination Council and approved by the Commissioner
41 of Insurance. An insurable property shall be certified as
42 conforming to the applicable building codes only after an
43 evaluation of the insurable property has been satisfactorily
44 completed by a building official or a certified and licensed



45 building evaluator. An insurable property shall be certified as
46 conforming to Fortified for Safer Living criteria only after
47 evaluation and certification by an Institute for Business and Home
48 Safety certified evaluator.

49 (* * *4) An owner of insurable property claiming an
50 adjustment under this section shall maintain sufficient
51 certification records and construction records including, but not
52 limited to, a Certificate of Occupancy denoting compliance with
53 the applicable building code in subsection (* * *3) (a) of this
54 section or valid certification from the Institute for Business and
55 Home Safety for compliance with the program described in
56 subsection (* * *3) (b) of this section.

57 (* * *5) Insurers required to submit rates and rating plans
58 to the commissioner shall submit an actuarially justified rating
59 plan for any person who builds an insurable property to comply
60 with the sets of requirements of subsection (* * *3) of this
61 section. An insurer is not required to provide the same amount of
62 adjustment for a building code insurable property as the insurer
63 would to a Fortified for Safer Living insurable property. An
64 adjustment shall only apply to policies that provide wind coverage
65 and may apply to that portion of the premium for wind coverage or
66 to the total premium if the insurer does not separate out its
67 premium for wind coverage in its rate filing. The adjustment
68 shall apply exclusively to the premium designated for the improved
69 insurable property. In addition to the requirements of this



70 section, an insurer may voluntarily offer any other mitigation
71 adjustment that the insurer deems appropriate.

72 **SECTION 2.** This act shall take effect and be in force from
73 and after July 1, 2018.

